



Shortwave

Life Sciences

**SHORTWAVE LIFE SCIENCES PLC
(FORMERLY PSYCH CAPITAL PLC)**

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 30 APRIL 2025

Registered number: 13351629

SHORTWAVE LIFE SCIENCES PLC (FORMERLY PSYCH CAPITAL PLC)

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 30 APRIL 2025

COMPANY INFORMATION

DIRECTORS

S Murphy
R Stern Youdkevich (resigned 10 September 2025)
R Kait (resigned 30 October 2024)
R Lipsky (appointed 11 November 2024)
R Gerritsen (appointed 10 September 2025)
J Molloy (appointed 10 September 2025)

COMPANY SECRETARY

K Mildwaters (resigned 6 August 2025)
S Murphy (appointed 30 October 2025)

REGISTERED NUMBER

13351629

REGISTERED OFFICE

124 City Road
London
England
EC1V 2NX

INDEPENDENT AUDITOR

Adler Shine LLP
Chartered Accountants and Statutory Auditor
Aston House
Cornwall Avenue
London
N3 1LF

CORPORATE ADVISOR

Peterhouse Capital Ltd
80 Cheapside
London
EC2V 6EE

REGISTRAR

Neville Registrars Limited
Neville House
Steelpark Road
Halesowen
B62 8HD

COMPANY WEBSITE

<https://shortwavelifesciences.com/>

SHORTWAVE LIFE SCIENCES PLC (FORMERLY PSYCH CAPITAL PLC)

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 30 APRIL 2025

CONTENTS

Welcome to Shortwave Life Sciences	1-2
Strategic report	3-10
Directors' report	11-16
Statement of Directors' Responsibilities	17
Independent Auditor's Report	18-22
Consolidated Statement of Comprehensive Income	23
Consolidated Statement of Financial Position	24
Company Statement of Financial Position	25
Consolidated Statement of Changes in Equity	26
Company Statement of Changes in Equity	27
Consolidated and Parent Group Statement of Cash Flows	28
Notes to the financial statements	29-47

SHORTWAVE LIFE SCIENCES PLC (FORMERLY PSYCH CAPITAL PLC)

WELCOME TO SHORTWAVE LIFE SCIENCES PLC

FOR THE YEAR ENDED 30 APRIL 2025

WELCOME TO SHORTWAVE LIFE SCIENCES PLC

Shortwave Life Sciences Plc, formerly Psych Capital Plc (AQSE: PSY), is pleased to present its results for the financial year ended 30 April 2025.

The Group's mission is to pioneer breakthrough therapies that transform the landscape of mental health care. Through the acquisition of Shortwave Pharma Inc. in the previous financial year, the Group has advanced its focus on drug development, targeting serious unmet medical needs, with an initial emphasis on the treatment of eating disorders. Combining deep pharmaceutical expertise with capital markets experience, the Group is building a platform designed to identify, develop and fund early-stage, best-in-class candidates for innovative mental health treatments.

Highlights:

- **Corporate Rebranding:** Following the acquisition of Shortwave Pharma Inc. in the previous financial year, the Parent Company undertook a comprehensive review of its operations, culminating in a formal rebrand to Shortwave Life Sciences Plc — completed shortly after the period end — signalling its shift to a dedicated life sciences group focused on mental health drug development.
- **Operational Resilience:** Despite limited financial resources during the period, the Group met all statutory obligations, maintained continuous operations, and preserved momentum across scientific, regulatory and strategic planning efforts.
- **Pipeline Development:** Work continued on advancing the Group's lead anorexia nervosa drug candidate, with preparatory activity in pharmacokinetics, preclinical study design and regulatory planning completed in readiness for the next stages of development.
- **Governance and Board Oversight:** The Board strengthened its oversight and operational controls during the year, ensuring alignment between strategic vision, capital planning and scientific delivery in preparation for the Group's next phase of growth.

Post year end:

Post-Year End Developments

- **£40,000 Interim Fundraise to Settle Outstanding Liabilities (June 2025):**
On 10 June 2025, the Parent Company completed a private placement, raising £40,000 through the issuance of 32,000,000 new ordinary shares at a price of £0.00125 per share. As part of the placement, one warrant was issued for every share, exercisable at £0.0015 per share until June 2027. This interim funding round was strategically executed to stabilise the Group's immediate financial obligations and clear legacy debt, positioning the business for growth ahead of the larger financing round.
- **£250,000 Strategic Placement at Premium to Market (July 2025):**
On 29 July 2025, the Parent Company raised £250,000 through the placing of 100,000,000 ordinary shares at a price of £0.0025 per share — representing a 150% premium to the closing bid price of the previous trading day. This oversubscribed round demonstrated strong investor confidence in the Group's revised strategic direction. The proceeds were earmarked to fund a comprehensive business review, lay the foundations for the Group's Digital Asset Treasury strategy, and support forward-looking operational priorities.
- **Equity-for-Services Agreement to Preserve Cash (July 2025):**
In addition to the cash raised, the Group issued 48,316,000 ordinary shares to service providers in lieu of cash fees, on the same terms as the placing. This strategy preserved working capital while aligning external stakeholders with the long-term value of the Group, demonstrating prudent treasury management and a focus on maintaining financial flexibility during a transitional period.

- **Leadership Reinforcement to Drive Execution and Growth (July 2025):**

To support the Parent Company's repositioning and execution of its dual-track strategy, several strategic appointments were made:

- *Rolf Gerritsen* joined the Board as **Executive Chairman**, bringing over three decades of international capital markets experience and a proven track record in corporate transformation, financing, and regulatory oversight.
- *Stephen Molloy* was appointed **Non-Executive Director** with a specific remit to develop the Group's **Digital Asset Treasury (DAT)** strategy. Stephen's deep expertise in digital innovation and blockchain strategy adds critical insight to the Group and Parent Company's evolving financial model.

- **Development of Dual-Track Strategy (Q3 2025):**

Building on internal and external input, the Group formally adopted a dual-track strategy designed to support clinical progress while enhancing long-term capital efficiency. This strategy includes:

- The continued advancement of its core anorexia nervosa drug programme, currently progressing through preclinical and regulatory development stages.
- The establishment of a **Digital Asset Treasury function**, aimed at creating a non-dilutive reserve of capital to fund future R&D. This model enables the Group to better manage macroeconomic volatility, hedge risk, and retain top-tier scientific talent by offering a differentiated compensation and funding structure.

DIRECTORS' STATEMENT

We are pleased to present the results for Shortwave Life Sciences Plc (the "Parent Company") and its subsidiary ("the Group") for the year ended 30 April 2025.

This financial year was a pivotal period for the Group, marking its transition into a focused biopharmaceutical business dedicated to developing breakthrough therapies in mental health, with a specific emphasis on eating disorders and anorexia nervosa. While resources during the year remained constrained, the Board ensured that the Group met all regulatory and operational obligations, while continuing to advance key elements of the clinical and corporate roadmap.

A key highlight of the year was the Parent Company's formal rebrand to **Shortwave Life Sciences Plc** on 6 June 2024, following the successful acquisition and integration of Shortwave Pharma Inc. This name change reflects the Group's sharpened focus on drug development and its strategic commitment to identifying and accelerating first-in-class therapies for life-threatening mental health conditions.

Operationally, the Group achieved meaningful clinical progress. The Subsidiary, Shortwave Pharma Inc. completed key pre-clinical safety studies for its novel drug combination and buccal film platform designed to treat anorexia nervosa. These studies demonstrated strong safety and tolerability at elevated doses and reinforced the Group's conviction in the platform's bioavailability and patient-centric design. These results provide a critical foundation for future clinical trials and regulatory engagement.

In parallel, the Group received a **positive international preliminary report** from the PCT examining authority confirming that its patent application entitled "*A Mucoadhesive Film Comprising a Pharmaceutically Active Agent and Uses Thereof*" met all criteria of novelty, non-obviousness, and industrial applicability. This was a major validation of the Group's proprietary delivery system and unlocked the **issuance of 9,015,100 Deferred Consideration Shares**, as agreed under the original acquisition terms.

Commercially, the Group made the strategic decision to divest its media platform, PSYCH, which previously operated as a B2B content and events business for the psychedelic healthcare sector. The sale, completed during the year, enables management to focus fully on clinical development and long-term IP value creation.

The Parent Company also launched a pre-campaign for retail fundraising via **Crowdcube**, seeking to expand its shareholder base and raise additional funds to support the transition into Phase I clinical trials. This campaign — supported by a compelling scientific narrative, strategic partnerships (notably with Sheba Medical Center), and increasing public interest in mental health innovation — demonstrated investor appetite for Shortwave's vision, though the final campaign was postponed to align with broader capital strategy efforts.

The Group's Board was further strengthened by the appointment of **Ron Chai Lipsky** as Non-Executive Director, a seasoned executive in life sciences and capital markets. Mr. Lipsky brings valuable expertise in regulatory oversight, investor relations, and international growth strategies.

While financial resources during the period remained limited, the Group managed its cash conservatively and prioritised essential value-driving activities, including IP protection, clinical preparation, and regulatory engagement. The Board remains grateful to the shareholders for their continued support during this period of consolidation and transformation.

Looking ahead, the Group is confident that its singular focus on clinical innovation, combined with a refined capital strategy and a growing ecosystem of partners, will position it well to deliver meaningful value to patients and shareholders alike.

Post year end

Following the financial year end, Shortwave Life Sciences Plc ("the Group") has taken decisive steps to streamline its operations and sharpen its strategic focus. While the acquisition of Shortwave Pharma Inc. in 2023 laid the foundation for the Parent Company's transition into a biopharmaceutical business, the period following April 2025 has marked a clear inflection point in the Group's evolution.

In Q2 2025, the Group successfully divested its media and events business, PSYCH, to enable full operational and financial focus on its core drug development activities. This divestment not only reflects a disciplined approach to capital allocation but also reinforces the Group's commitment to advancing its clinical pipeline in mental health, starting with its lead anorexia nervosa programme. Shortwave Life Sciences retains strong strategic relationships across the healthcare ecosystem, but no longer operates a standalone media platform.

Building on this momentum, the Board announced a dual-track strategic model in mid-2025. In addition to advancing its core pharmaceutical R&D activities, the Group will adopt a Digital Asset Treasury (DAT) approach

— a novel capital strategy intended to preserve balance sheet value, reduce reliance on traditional equity fundraising, and provide a potential non-dilutive revenue stream to support ongoing R&D. This model is being developed with reference to best practices across biotech and digital finance, positioning Shortwave at the forefront of innovative capital management in life sciences.

The Group's clinical capabilities have also been strengthened with new appointments. Dr. Nadya Lisovoder, MD, has assumed leadership of the Group's scientific roadmap and clinical planning, working closely with contract research organisations (CROs), manufacturing partners, and regulators to ensure the clinical readiness of Shortwave's lead asset.

Together, these developments mark the start of a new chapter for the Group — one that combines scientific rigour with capital innovation. The Board remains focused on delivering shareholder value through the development of safe, effective therapies for mental health conditions with no current pharmacological solutions, beginning with anorexia nervosa.

Outlook and prospects

The global mental health crisis continues to intensify, with widening gaps between patient needs and effective, accessible treatment options. This unmet demand is particularly acute in the area of eating disorders, especially anorexia nervosa, where no approved pharmacological treatments currently exist and where clinical innovation remains critically underfunded. Against this backdrop, Shortwave Life Sciences Plc Group has refined its strategic focus to address one of the most pressing and underserved challenges in modern medicine.

The Group enters the next financial year with a clear direction: to advance breakthrough therapies for serious mental health conditions, beginning with a lead clinical programme targeting anorexia nervosa. Scientific validation for psychedelic-assisted therapies continues to grow, with multiple late-stage trials underway and increasing regulatory engagement across major jurisdictions. Analysts forecast strong sector growth, with the global psychedelic therapeutics market projected to reach over USD \$8 billion by 2028, driven by new treatment paradigms, patient advocacy and changing legislation.

Shortwave Life Sciences Plc Group is well positioned to contribute meaningfully to this emerging field. Its proprietary buccal film delivery system and psilocybin-based formulation are specifically designed to address the clinical and safety complexities associated with anorexia. Following positive preclinical safety data and regulatory approvals for early-stage human studies, the Group is preparing to initiate its first clinical trial once funding is in place.

Looking ahead, the Group's dual track strategy aims to reduce risk and secure long-term funding. The recently announced Digital Asset Treasury (DAT) approach reflects a commitment to capital innovation — offering a potential non-dilutive path to sustain research and development, while preserving balance sheet strength and delivering value to shareholders. This model, combined with a focused drug development roadmap, positions Shortwave to operate with agility and resilience in a challenging biotech funding environment.

In parallel, the Group continues to build a strong network of clinical, academic and manufacturing partners across Europe and Israel, with active collaborations in place to streamline regulatory preparation, reduce cost exposure and accelerate time to trial.

The Directors believe that Shortwave Life Sciences Plc Group is entering a pivotal phase. With a sharpened focus, a differentiated delivery platform and a growing ecosystem of partners, the Group is well placed to play a leading role in the future of mental health therapeutics. The outlook for 2026 and beyond is one of cautious optimism, grounded in scientific progress, strategic clarity and a continued commitment to impact.

Financial Review

Shortwave Life Sciences Plc is pleased to announce the Group's annual results for the year to 30 April 2025.

Revenues of £45,700 were reported in the year, a decrease of 19% on the prior year (2024: £56,694) due to the on-going macro-economic environment which has negatively impacted demand for data, content and symposiums and has adversely affected appetite for sponsorships, advertising and marketing in the psychedelic sector. The gross profit margin increased to 99% (2024: 8%) which was mainly due to the low fixed cost component of the services provided. Administrative expenses decreased by £380,412 to £264,344 (2024: £644,756), despite the fees incurred and work performed around the SWP acquisition. There was a significant decline in consultancy fees but a minor increase in salaries reflecting a larger executive team for the period around the acquisition. Non-cash charges of £94,004 (2024: £109,168) relating to the amortisation of intangible assets including Goodwill formed through the acquisition of SWP and the continued amortization of the PSYCH media platform during the year until it was sold. A share-based payment non-cash charge of £50,687 (2024: £206,136) was recorded in the year, for the award of share options to directors and advisors following last year's SWP acquisition.

An operating loss of £269,811 (2024: £846,338) was recorded in the year. Non-cash fair value loss on the investment in Awakn Life Sciences Corp of £11,603 (2024: loss of £46,698), combined with an impairment charge of £Nil on the Psych platform asset which has become external to the Group's new focus on drug development, results in a statutory pre-tax loss of £281,414 reported in the year (2024: £1,082,911), and a basic loss per share of £0.0007 (2024: £0.0033).

Net assets for the Group totalled £2,420,768 at 30 April 2025 (2024: £2,626,892), incorporating £2,912 in cash and cash equivalents (2024: £72,300). The investment in Awakn was £nil at the year-end as it was sold during the year (2024: £44,807). Intangible assets of £2,903,942 represents Intellectual property and goodwill emanating from the acquisition of SWP in the previous financial year. Trade and other receivables increased to £23,795 (2024: £16,626), predominately relating to reduction in prepayments for the PSYCH Symposium and event activity in the year. Trade and other payables increased to £98,811 (2024: £77,453).

The Group incurred net cash outflows from operations of £98,322 (2024: £492,054), a decrease of £393,732, as a result of larger non-cash impairment and amortisation of the intangible asset relating to the acquisition of Shortwave Pharma Inc. and a higher non-cash share-based payment charge in the prior year. The Group issued 16,515,098 deferred shares mostly surrounding the share-based acquisition of SWP.

The Directors have prepared a cashflow forecast which indicates that additional funds will be required during the year to continue to operate as per the forecast. There are ongoing activities to raise the necessary funds but in the absence of the required funding being in place this condition indicates the existence of a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern.

The Group has 378,290,762 ordinary shares in issue.

Corporate Governance Statement

Introduction

The Board is committed to effective corporate governance as the basis for delivering long-term value growth and for meeting stakeholder expectations for proper leadership and oversight of the business.

The Board has chosen to apply the Corporate Governance Code for Smaller and Mid-Size Quoted Companies published by the Quoted Companies Alliance (the 'QCA Code'), as far as it considers appropriate for the size and nature of the Group.

Key performance indicators

The Board seeks to maximise shareholder value by investing in, acquiring and growing businesses within the psychedelic healthcare sector.

The Board monitors the following KPIs as relevant measures.

Performance Indicator	30 April 2025	30 April 2024	Commentary
Basic loss per share	£0.0007	£0.0033	The calculation of basic loss per share is detailed in note 8 to the accounts.
Net Assets	£2,420,768	£2,626,892	Total assets less liabilities.
Cash used in operations	£98,322	£492,054	Total comprehensive loss for the year, adjusted for non-cash items and for changes in working capital.
Number of PSYCH Audience Database	-	57,224	Total active subscribers following PSYCH on social media and e-mail CRM database. Performance compares favourably to 6-8% industry churn. The platform was sold during the financial year.

Financial Risk Management

The Group's financial instruments comprise cash, liquid resources, and various items, such as trade receivables and trade payables that arise directly from its operations. The main risks arising from the Group's financial instruments are credit risk, liquidity risk, foreign exchange, and price risk. These risks are monitored by the Board of Directors.

Liquidity risk: In keeping with similar sized investment companies, the Group's continued future operations depend on the ability to raise sufficient working capital through the issue of equity share capital or debt. The Directors are confident that adequate funding will be forthcoming with which to finance operations. Controls over expenditure are carefully managed and the Board regularly manage the working capital requirements of the Group, maintaining a forecast of working capital that is reviewed and updated monthly, and actively manages its financial risk to ensure forecasted cash outgoings can be met in the short and medium term.

Credit risk: The Directors consider there to be minimal credit risk in respect of the Group's cash balances as they are held with a reputable institution.

Price risk: The Group's management of price risk, which arises primarily from quoted equity instruments, is through the selection of financial assets within specified limits as approved by the Board of Directors.

For quoted equity securities, the market risk variable is deemed to be the market price itself. A 10% change in the price of those investments would have a direct impact on the statement of comprehensive income and statement of financial position. At 30 April 2025, the effect of such a change in market price would have been £nil (2024: £5,000).

Foreign exchange risk: The Parent Company holds a Canadian Dollar denominated investment which exposes the Group to the risk that the exchange rate of the Canadian Dollar against the pound will change in a manner which adversely impacts its net profit and net assets attributable to shareholders. The Group does receive payment in foreign currency from certain clients, but there is minimal delay transferring funds into Sterling upon receipt, and therefore relatively minimal risk of adverse currency movements.

Principal Risks and Uncertainties

The Board formally reviews and documents the principal risks to the Group's business within a formal Risk Register at least annually.

Risk	Description and mitigation
Strategic	<p>Regulatory risks associated with medical psychedelic drugs</p> <p>The Group's chosen sector is highly regulated and non-compliance with relevant national law or practices could result in the commission of civil, as well as criminal offences. The Board will have particular regard to the potential risk of money laundering or proceeds of crime offence(s) under POCA 2002. It will also ensure that the Group complies with relevant national laws and good practice in respect of its continuing operations. The Board will adopt a cautious and conservative approach when weighing up any future business development, acquisition, or investment opportunity.</p> <p>Change of laws</p> <p>Expectations of growth within the medical psychedelic sector also assumes national regulators will liberalize their laws and policies associated with the availability and use of medical psychedelic drugs in response to the demands of patients, public sentiment and an increase in credible data indicating the efficacy of psychedelic medicines in the treatment of various conditions. However, the nature, extent and timing of such developments are often very difficult to predict. There can be no guarantee that laws and policies of national authorities will develop in a manner which helps to support the growth of the Group, and it is conceivable that even stricter laws and controls could be implemented by national governments over time in response to negative public sentiment or negative results produced by further medical and scientific study. A materialisation of such risks could impact the growth and development of the Group.</p>
Financial	<p>Cashflow</p> <p>The Group's cash reserves need to be managed effectively to ensure that the Group maintains sufficient capital to meet its financial commitments. The Group has very little committed expenditure and as such the Board are able to manage its payments to ensure adequate liquid resources are available.</p>
Operational	<p>Market Conditions</p> <p>The Group's performance remains influenced by broader macroeconomic conditions, including inflationary pressures, capital market volatility, and investor sentiment towards the biotech and psychedelic healthcare sectors. These factors can directly impact fundraising opportunities, partnership development, and long-term investor confidence.</p> <p>Additionally, as a pre-revenue biopharmaceutical Group focused on innovative drug development, Shortwave Life Sciences Plc Group is exposed to risks inherent in early-stage drug development including extended R&D timelines, regulatory hurdles, and shifting competitive landscapes.</p> <p>To mitigate these risks, the Group has adopted a flexible operating model designed to align spend with project milestones. Most overheads and development costs are structured as variable or milestone-based, allowing the Group to scale resources in accordance with available capital and the progress of its lead programmes.</p>
Compliance	<p>Compliance with legal requirements</p> <p>In the United Kingdom, Psychedelic drugs (predominantly) are class A controlled drugs (the most restricted category) and are generally only available for use in the field of scientific research and development under licence. The misuse of such controlled substances is subject to a strict regime of criminal penalties including, significant fines and imprisonment. At present, operations are not directly exposed to any controlled drugs, as the Group is yet to engage in any research or drug development operations. A full risk assessment will be conducted and control framework implemented before any such operations are conducted.</p>

Forward looking statements

The Strategic Report has been prepared for the Shareholders of the Group, and no other persons. The Strategic Report may contain forward-looking statements or anticipated outcomes that are subject to the principal risks noted above, along with the economic and sector specific circumstances within the markets which the business operates. The purpose is to assist Shareholders of the Group to assess the strategies adopted by the Group and the potential for those strategies to succeed, and for no other purpose. The Directors believe that the expectations reflected in the Strategic Report are reasonable, but they may be affected by all of the principal risks, which could cause actual results to differ materially from those currently anticipated. No assurances can be given that the forward-looking statements in the Strategic Report will be realised. The forward-looking statements reflect the data and knowledge available at the time.

Employment without discrimination

The Group is committed to offering employment on the basis of aptitude and ability. We hire and promote our people regardless of gender, orientation, origin, creed, disability or any other inappropriate discrimination.

Board composition and operation

The Board comprises one Non-Executive Director, and three Executive Directors. The Group does not have two independent non-executive directors, as recommended under Principle 5 of the QCA Code. The Group does not consider it appropriate to appoint and maintain a senior independent director, at this time.

The Board believes that it has an effective mixture of skills, capabilities and experience required for the effective operation of the Group. The Board and its advisors have public Group, financial and sectoral experience relevant to its proposed investment and acquisition strategy. The Directors will seek to ensure that an appropriate balance of skills and experience is maintained over time. All Directors have access to the advice and services of the Group Secretary.

Board Committees

The Group has established an executive committee, audit committee, remuneration and AQSE compliance committee with formally delegated duties and responsibilities. The composition of the committees is briefly described below:

Executive Committee

The Group has established an Executive Committee to promote and maintain a prudent and effective allocation of capital across the Group's portfolio. The Executive Committee reports to the Board on a regular basis and is responsible for monitoring investments and operational progress.

From Admission to AQSE, the Executive Committee comprised two executive members, Stephen Murphy and William Potts, and one non-executive member, Joseph Colliver, who served as Chair of the Committee. Following the acquisition of Shortwave Pharma Inc. and the resignation of Joseph Colliver, the Committee was reconstituted with three executive members — Stephen Murphy, William Potts, and Rivki Stern Youdkevich — and one non-executive member, Roy Kait.

Following the resignation of William Potts on 5 April 2024, Roy Kait on 30 October 2024, and Rivki Stern in September 2025, the Executive Committee has since been restructured to include Stephen Murphy (Executive Director), Rolf Gerritsen (Executive Chairman), and Stephen Molloy (Executive Director). This newly formed Committee supports the Group's strategic transition and plays a key role in overseeing capital allocation and business development in line with its revised operational model.

Audit Committee

The Audit Committee comprises Stephen Malloy and Rolf Gerritsen, with Stephen Malloy serving as Chair. The Audit Committee determines the terms of engagement of the Group's auditors. The Committee reviews reports from management and the Group's auditors relating to interim and annual accounts, as well as the accounting and internal control systems in place across the Group. The Audit Committee has unrestricted access to the Group's auditors.

Remuneration Committee

The Remuneration Committee comprises Stephen Malloy and Rolf Gerritsen, with Stephen Malloy serving as Chair. The Committee determines the scale and structure of executive directors' and senior employees' remuneration, as well as the terms of their respective service or employment contracts — including share option schemes and other incentive arrangements. The remuneration and terms for the non-executive directors of the Group are set by the Chairman and executive members of the Board.

AQSE Rules Compliance Committee

The AQSE Rules Compliance Committee comprises Stephen Murphy, Rolf Gerritsen, and Ron Lipsky, with the aim of ensuring the Group maintains effective procedures, resources, and controls to comply with the AQSE Growth Market Rules at all times. The Committee oversees the Group's ongoing communication with its corporate adviser and is responsible for ensuring timely and appropriate disclosures, announcements, and compliance related to market activity and corporate transactions.

Directors

The Directors at the date of this report are:

Rolf Gerritsen (Executive Chairman) (Aged 61)

Rolf is an entrepreneurial executive with over 30 years' experience in strategy, capital markets and business development, with a strong track record of delivering growth and restructuring opportunities for listed and private companies. He has sourced and structured capital across Europe, the USA, Africa, Australia, the Middle East, the Far East and South America, working fluently in four languages. Rolf has advised and served on the boards of international growth companies, with particular focus on natural resources and special situations, where he has developed and implemented creative strategies to unlock value and secure investor support.

Stephen Murphy (Executive Director) (Aged 38)

Stephen Murphy is an entrepreneur and strategist with a proven record of launching and scaling businesses in regulated healthcare and emerging technology. As Co-Founder of Shortwave Life Sciences Plc Group, he brings deep expertise in corporate finance, innovation, and strategic growth. His focus is on building a category-defining life sciences Group that delivers long-term value in complex, evolving markets.

Stephen Molloy (Executive Director) (Aged 49)

Stephen has spearheaded and established innovative digital, media, and technology businesses across global markets over the last 27 years. An adept commercial leader, Stephen excels in scaling companies from the ground up. He specializes in identifying emerging technologies and their potential to transform industry and society at large. Foreseeing the potential of digital property as a major new asset class as early as 2008, Stephen developed innovative business models to realise digital asset value at companies such as Roblox.

Recognizing the transformative impact of blockchain technologies, Stephen earned the Blockchain Business Strategy qualification from Oxford University in 2018. Since then, he has concentrated his research and investments on digital assets fundamental to a more decentralised financial system. Stephen is actively engaged with regulatory developments in the digital asset ecosystem, ensuring any investments adhere to evolving legal frameworks and industry standards.

Ron Lipsky (Non-Executive Director) (Aged 49)

With experience of over 13 years at the highest levels of the plant-based pharma industry, Ron Lipsky has built a global network of trusting relationships in multiple verticals and geographies. As part of the founding team for MGC Pharma, Ron has listed on two exchanges (LSE and ASX) and has a wealth of experience in dealing with public markets and creating pipelines for novel treatments, from clinical studies through to government approvals. A passion for finding pathways to facilitate treatments for underserved indications and an understanding of the necessary mechanisms to leverage globally give him a unique insight to facilitate the vision of Shortwave Life Sciences.

Attendance at Meetings

The Group held twelve monthly board meetings in the year to 30 April 2025, as well as other committees meetings with all Directors who were appointed at the time of the meetings in attendance.

Section 172 Statement

Under section 172 of the Companies Act 2006 ("Section 172"), a director of a Group must act in a way that they consider, in good faith, and would most likely promote the success of the Group for the benefit of its members as a whole, taking into account the non-exhaustive list of factors set out in Section 172.

Section 172 requires directors to

- Consider the likely consequences of any decision in the long term,
- Act fairly between the members of the Group,
- Maintain a reputation for high standards of business conduct,
- Consider the interests of the Group's employees,
- Foster the Group's relationships with suppliers, customers and others, and
- Consider the impact of the Group's operations on the community and the environment.

Regulatory Bodies

The Board takes regulatory compliance extremely seriously and frequently requests the services of experts in the field of psychedelic medicines and drug policy reform.

Shareholders

The directors promote engagement with shareholders via the publication of newsletters, RNS announcements and press releases, the AGM, Annual Report, Group Website, and informal communication directly with key shareholders. As the Group delivers on its strategy, the Board will further engage with Investor Relation activity.

Internal Stakeholders

Other than the Board of Directors and the Group's Financial Officer, the Group does not have full-time or part-time employees, running operations through consultants retained on a contract basis. The Directors regularly engage with consultants to support their continued professional development, discussion of Group and project objectives and targets, compensation, and Group strategy.

Corporate Social Responsibility

The Board is committed to integrating environmental, social, and governance (ESG) considerations into the Group's activities as it advances the development of innovative treatments for mental health disorders. Although still at an early stage of operations, the Group has implemented cost-effective, remote-first working practices to minimise its environmental footprint, with meetings and governance processes conducted primarily through digital platforms.

As the Group progresses into clinical and commercial phases of drug development, it will continue to develop appropriate ESG policies and frameworks, including those related to research ethics, supply chain oversight, and stakeholder transparency. The Group upholds its Anti-Bribery and Corruption Policy, adopted on 1 March 2022, and is committed to maintaining high standards of ethical conduct and corporate integrity across its operations.

This statement should be read in conjunction with the rest of the Strategic Report and the Group's Corporate Governance Statement.

The Strategic Report was approved by the Board of Directors on 30 October 2025 and was signed on its behalf by:



Stephen Murphy
Director

SHORTWAVE LIFE SCIENCES PLC (FORMERLY PSYCH CAPITAL PLC)

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2025

DIRECTORS' REPORT

The Directors present their report together with the audited financial statement for the year ended 30 April 2025.

Principal Activity

The principal activity of the Group and Parent Company is identifying, operating and developing early-stage, breakthrough initiatives which revolutionize treatment strategies in mental health care. Its first program addresses eating disorders; and business-to-business media and content marketing for the psychedelic science and healthcare industry.

Strategic Report

The principal activity of the Group, its strategy and business model are set out on pages 3 to 10.

Corporate Governance

The Corporate Governance Report is included in the Strategic Report on pages 6 to 10.

Results and dividends

A review of the results for the year and the financial position of the Group is included in the Strategic Report on page 5 and details are set out in the financial statements on pages 23 to 47.

In line with its strategy of identifying, operating and developing early-stage drug development initiatives, the Directors do not intend to pay dividends for the foreseeable future until the Group has achieved sufficient profitability and requirements for working capital are such that it is prudent to do so and, even then, the Directors may not determine to pay any dividend or make any other form of distribution.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Group financial review, together with the financial position of the Group, its cash flows, liquidity position and borrowing facilities. The Independent Auditor's Report was unqualified but draws attention to note 2.2 on going concern in the financial statements, which indicates that the Group is looking to raise funds in the coming months to continue its operations over the foreseeable future. Whilst there are no guarantees of the Group being able to raise such funds in the current challenging macro-economic climate, the directors are hopeful of obtaining further funding or investments. Accordingly, the directors consider that it is appropriate to continue to prepare the financial statements on a going concern basis. However, in the absence of the required funding being in place these conditions indicate the existence of a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern.

Substantial shareholders

On 30 September 2025 the following shareholders held an interest of 3% or more of the ordinary share capital of the Group:

Prohibition Holdings Ltd	90,000,000	16%
Oscillate Plc	46,840,384	8%
Peterhouse Capital Limited	44,480,469	8%

Note: A significant portion of the Group's issued share capital is held through nominee accounts. As such, it is not always possible to determine the underlying beneficial owners. The table above reflects the Group's best attempt to track material holdings through its share registrar, supplemented by TR-1 notifications and publicly available filings.

Directors

The directors who held office during the year were as follows:

S Murphy

R Stern Youdkevich (appointed 7 November 2023; resigned 10 September 2025)

R Kait (appointed 7 November 2023; resigned 30 October 2024)

R Lipsky (appointed 11 November 2024)

SHORTWAVE LIFE SCIENCES PLC (FORMERLY PSYCH CAPITAL PLC)

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2025

Directors' emoluments, included in staff costs:

	Total emoluments 2025 £	Total emoluments 2024 £
J Colliver	-	58,501
W Potts	-	56,788
S Murphy	18,502	57,488
R Kait	3,110	42,970
R Stern Youdkevich	38,005	94,667
TOTAL	56,617	310,414

Creditors Payment Policy

The Parent Company and Group agree payment terms with all suppliers when they enter into binding purchase contracts. The Group seeks to abide by the payment terms agreed with suppliers whenever it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions. The Group does not follow any standard or external code which deals specifically with the payment of suppliers.

Statement of compliance with the Corporate Governance Code

The Group complies with the Quoted Companies Alliance's Corporate Governance Code (the "QCA Code") as revised and reissued in November 2023.

Stephen Murphy, in his capacity as Executive Director, has assumed responsibility for leading the Board effectively and ensuring that the Group has appropriate corporate governance standards in place and that these standards are observed and applied within the Group as a whole.

The corporate governance arrangements that the Board has adopted are intended to ensure that the Group delivers medium and long-term value to its shareholders. The Board maintains a regular dialogue with its major investors and other professional investors, providing them with such information on the Group's progress as is permitted by the AQSE rules, MAR and the requirements of the relevant legislation.

It should be noted that all the Directors are shareholders and/or option holders in the Group and that both William Potts (Resigned) and Stephen Murphy are founders and together with Roy Kait (Resigned) and Rivki Stern Youdkevich (Resigned), they are all significant shareholders. The Directors therefore view their own medium and long-term interests to be integrally linked to the medium and long-term value of the Group and, as such, the interests of the Directors are directly aligned with those of the shareholders.

The Board currently consists of four Executive Directors: Stephen Molloy, Ron Lipsky, Rolf Gerritsen and Stephen Murphy.

The Group has constituted an advisory committee of selected individuals with experience in areas relevant to the business growth, whose remit is to provide strategic input and direction to the Board and to assist with introductions to key counterparties.

The QCA Code sets out ten principles that should be applied. The ten principles, and how the Group adheres to the principles, are set out below:

Principle 1

Establish a purpose, strategy and business model which promote long-term value for shareholders

Shortwave Life Sciences Plc is committed to pioneering breakthrough therapies that transform the landscape of mental health care. The Group's forward-looking strategy is built around two key pillars designed to promote long-term value creation for shareholders:

- **Drug Development:** Led by the team at Shortwave, the Group aims to advance its clinical programme into human trials for its anorexia nervosa candidate — a proprietary psilocybin-based drug combination delivered via a novel buccal film platform. Following the successful completion of key preclinical

milestones and securing intellectual property protections, the Group will seek strategic partnerships to support clinical progression and create pathways toward liquidity events.

- Expansion of Intellectual Property (IP) Portfolio: The Group will continue to identify, develop, and support early-stage innovations that have the potential to redefine treatment paradigms in mental health. Through a selective and disciplined approach to R&D and partnerships, Shortwave aims to build a portfolio of best-in-class assets capable of delivering long-term growth and value for shareholders.

Principle 2

Promote a corporate culture that is based on ethical values and behaviours

The Board fosters a culture of integrity, transparency, and innovation across all operations. Ethical behaviour is expected at all levels of the Group and is reinforced through:

- Recruitment practices that prioritise values alignment
- Policies on anti-bribery, conflicts of interest, and confidentiality
- Clear expectations set by leadership and internal communications

The Board monitors culture through both formal and informal mechanisms and is committed to acting on any concerns that may arise. The Group intends to maintain a working environment that supports collaboration, inclusion, and scientific excellence.

Principle 3

Seek to understand and meet shareholder needs and expectations

The Board recognises the importance of providing all shareholders with clear and regular information relating to the Group's activities. Primary communications will be through Regulatory Information Service announcements, after review by the AQUIS Corporate Advisor, which will also be made available on the Group's website.

The Board will provide regular updates in relation to the following items:

- Latest investor presentations
- Up-to-date technical information and results
- All annual and half-yearly financial statements
- All notifications made via a Regulatory Information Service
- Results and details of all resolutions voted on at the latest Annual General Meeting

The Board aims to communicate with shareholders, both private and institutional, on a regular basis and are primarily responsible for shareholder liaison. Investor views will be formally reported back to the Board.

The Board encourages all shareholders to attend the Group's Annual General Meetings. Shareholders are given opportunities to ask questions during the AGM or speak informally with the Board. If voting decisions at a general meeting are not aligned with expectations, the Board will engage with shareholders to address concerns.

The Group complies with Rule 4.14 of the AQSE Rules regarding obligations under the Disclosure Guidance and Transparency Rules and Market Abuse Regulation.

Principle 4

Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Board is committed to maintaining open and honest relations with all stakeholders, internal and external. Key stakeholders include employees, investee companies, consultants, regulatory bodies, shareholders, partners, and suppliers.

The Group endeavours to take feedback into account, making amendments where appropriate and aligned with long-term strategy. The Non-Executive Director has direct oversight of business strategy implementation and stakeholder feedback.

Ultimate responsibility for corporate responsibility lies with the Board.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2025

Principle 5

Embed effective risk management, considering both opportunities and threats, throughout the organisation

All Board members are responsible for risk management. The Audit Committee assists in identifying, assessing, and managing risks. Day-to-day monitoring is managed by the Executive Directors with oversight from the Non-Executive Director.

The Group maintains a moderate, balanced risk appetite that allows for growth while ensuring compliance.

The Board meets at least six times a year to review operational performance, budgets, forecasts, and new or evolving risks. Risks and mitigating actions are documented in a Risk Register, which is reviewed at least annually during the audit process.

A framework of internal financial controls has been implemented and is regularly reviewed by the Audit Committee and the Board.

Principle 6

Maintain the board as a well-functioning, balanced team led by the Chair

The Board currently comprises:

- Three Executive Directors — Stephen Murphy, Rolf Gerritsen (Executive Chairman), and Stephen Malloy
- One Independent Non-Executive Director — Ron Lipsky

The QCA Code recommends at least two independent Non-Executive Directors; the current composition is considered suitable for the Group's development stage, enabling efficient decision-making and sufficient oversight.

Board structure is reviewed annually. All Directors are expected to devote sufficient time and receive materials in advance of meetings. Independent professional advice is available at the Group's expense.

Conflicts of interest are declared and managed. The Board is supported by:

- Audit Committee
- Remuneration Committee
- AQSE Rules Compliance Committee
- Executive Committee

Principle 7

Ensure the directors have the necessary up-to-date experience, skills and capabilities

The Board believes it has an appropriate mix of skills and experience relevant to the Group's strategic objectives, including:

- Public company governance and capital markets
- Drug development and regulatory pathways
- Healthcare innovation and psychedelic science
- Strategic partnerships and M&A
- Finance and commercial operations

Collectively, the Directors bring a balanced perspective that supports both clinical innovation and commercial execution. The Executive Directors regularly update the Board on key developments, while Non-Executive Directors contribute independent insight and challenge.

All Directors are committed to ongoing professional development. This includes monitoring sector developments, attending relevant events, and engaging with advisors. The Group's Corporate Advisor, Company Secretary, legal and financial counsel are available to provide additional expertise when required.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2025

Principle 8

Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

The Board is committed to evaluating its own performance and effectiveness. As the Group progresses beyond its initial development stage, formal evaluation processes will be introduced — initially scheduled to begin following the anniversary of the Shortwave acquisition.

The Chair, with support from the Non-Executive Director, will lead this process, ensuring the assessment covers:

- Board and committee effectiveness
- Individual Director contributions
- Strategic oversight and governance rigour

Succession planning remains the responsibility of the full Board and is reviewed at least annually. Future Board composition will take into account the evolving skills required to support the Group's scale and strategy.

Principle 9

Promote a well-structured approach to remuneration, ensuring it aligns with performance and shareholder interests

The Group's governance framework is designed to support effective oversight, transparent decision-making, and clear delegation of responsibilities. The Board meets at least six times per year (and more frequently as needed) with standing agenda items covering operational, financial, and strategic matters.

Board materials are circulated in advance of meetings, allowing for informed discussion. Directors maintain open communication outside formal meetings, ensuring alignment and responsiveness.

The Board is supported by the following committees:

- Audit Committee: Oversees financial controls and audit matters
- Remuneration Committee: Sets executive pay and incentives
- AQSE Rules Compliance Committee: Ensures adherence to AQSE obligations
- Executive Committee: Monitors investments and capital allocation

The Group will evolve its governance structures as it scales and adapts to regulatory and operational complexity. No further changes are currently planned, but governance will be reviewed annually.

Principle 10

Communicate how the Group is governed and is performing, maintaining a dialogue with shareholders and other relevant stakeholders

The Board ensures all material information is shared with shareholders in a timely and transparent manner. Key methods of communication include:

- Regulatory Information Service announcements
- Annual and half-year financial reports
- Corporate website and investor presentations
- Annual General Meetings

The Group's website provides access to:

- Governance disclosures
- Historical financial reports
- AGM notices and results

The Board values two-way engagement with shareholders. Feedback received via direct communications or AGMs is considered carefully, and follow-up is undertaken as required. The Group's approach to shareholder communication will evolve as the shareholder base grows and diversifies.

When appropriate, a corporate presentation will be prepared that provides more detailed updates on the Group's progress. This will be made available on the Group's website.

SHORTWAVE LIFE SCIENCES PLC (FORMERLY PSYCH CAPITAL PLC)

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2025

Going forward, the Group's website will display:

- Historical annual reports and other governance-related material, including notices of all general meetings over the last five years.

The Group's annual report and accounts will be published together with notice of the Group's annual general meeting. The Group's interim results will be notified via Regulatory Information Service announcements and also made available on the Group's website.

Directors' interests

The beneficial interests of the directors of the Group in the ordinary share capital of the Group were:

Director	Number of Shares
William Potts (Resigned)	10,720,000
Stephen Murphy directly	1,568,000
Stephen Murphy through Nominated Party	10,772,000
Roy Kait (Resigned)	10,798,920
Rivki Stern Youdkevich	9,394,231

Statement as to disclosure of information to auditors

All of the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Group's auditors for the purposes of their audit and to establish that the auditors are aware of that information.

The directors are not aware of any relevant audit information of which the auditors are unaware.

Auditors

The auditor, Adler Shine LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

By order of the Board



Stephen Murphy
Director

30 October 2025

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Group law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the Group financial statements in accordance with UK adopted International Financial Reporting Standards ("IFRSs"). Under Group law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that year. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on AQSE.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with IFRSs subject to any material departures disclosed and explained in the financial statement year; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

SHORTWAVE LIFE SCIENCES PLC (FORMERLY PSYCH CAPITAL PLC)

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 30 APRIL 2025

Independent Auditor's Report to the Members of Shortwave Life Sciences Plc

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and Parent Company's affairs as at 30 April 2025 and of the loss of the Group for the year then ended;
- the financial statements have been properly prepared in accordance with UK adopted international accounting standards; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Shortwave Life Sciences Plc (the "Parent Company") and its subsidiary (the "Group") for the year ended 30 April 2025 which comprise the consolidated statement of comprehensive income, the consolidated and Group statement of changes in equity, the consolidated and Group statement of financial position, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter on investments and intangible assets

We draw attention to the value of intangible assets in the Consolidated Statement of Financial Position and the value of investment in the subsidiary in the Parent Company Statement of Financial Position. The value of intangible assets arises on consolidation and represents the excess between the net asset value of the underlying subsidiary on acquisition and the cost of investment. The value of investment in the subsidiary represents the historic cost of acquisition of investments.

Management's assessment of impairment includes a review of the net present value of future potential cashflows of the underlying assets. The basis of these valuations includes a number of variables within the calculations that are subjective and based on professional judgments of the directors. This also includes the expected potential around the success of the future drug development programme and commercialisation of the Group's products. Whilst we have assessed management's judgements and application of estimates in their calculations and consider these to be reasonable, as set out in the key audit risks below, the projections relate to uncertain future events and outcomes which if unsuccessful could result in a material change to the valuations which could result in an impairment of the investments and intangible assets.

Our opinion is not modified in respect of this matter.

Material uncertainty related to going concern

We draw attention to note 2 in the financial statements, which indicates that the Group's ability to continue as a going concern is dependent on future fundraisings within the next twelve months from the approval of the financial statements.

As stated in note 2, this event or condition, indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter. In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting included:

SHORTWAVE LIFE SCIENCES PLC (FORMERLY PSYCH CAPITAL PLC)

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 30 APRIL 2025

- Reviewing management's assessment of the going concern basis drawn up 31 December 2026 including their evaluation of future funding requirements and funding availability, while challenging their key assumptions and inputs to ensure reasonableness and appropriateness;
- Assessing the Group's liquidity and the impacts on the reliability of the going concern evaluation;
- Assessing whether key assumptions and inputs to the model were reasonable, in light of the Group's relevant principal risks and uncertainties, and conducting our independent assessment of those risks; and
- Conducting sensitivity analysis on management's key assumptions and inputs against plausible scenarios.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the financial statements as a whole to be £16,000 based on 10% of loss before tax in the year end unaudited accounts. Materiality was subsequently reviewed based on final results with no amendments being required given the final materiality was higher than planned.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. Our level of performance materiality was £12,000.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and Directors' remuneration.

Component performance materiality

For the purposes of our Group audit opinion, we set performance materiality for the significant component of the Group, based on a percentage of 75% of Group performance materiality based on our assessment of the risk of material misstatement of that component. Component performance materiality was £9,000.

We agreed with the Audit Committee to report to it all identified errors in excess of £800. Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Group and its environment, including the system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

The Group consists of two companies, Shortwave Life Sciences Plc based in the UK and Shortwave Pharma, Inc. based in Canada. All audit work was carried out by the Group audit team.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

SHORTWAVE LIFE SCIENCES PLC (FORMERLY PSYCH CAPITAL PLC)

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 30 APRIL 2025

Aside from the going concern key audit matter identified above, we identified the following areas as the key audit matters relevant to our audit of the financial statements.

Key audit matter		How the scope of our audit addressed the key audit matter
<i>Impairment review of intangible assets</i>	<p>The Directors perform annual impairment reviews of intangible assets for all cash generating units (CGUs).</p> <p>The estimated recoverable amount of these balances is subjective due to the inherent uncertainty involved in forecasting and discounting future cash flow as basis for the value-in-use (VIU) calculation and the estimate made to determine the valuation multiple for the fair value less cost to sell (FVLCS) calculation. Whichever is higher, the recoverable amount is compared to the carrying value of the intangible asset to determine any impairment.</p> <p>We have determined as part of our risk assessment that the VIU and FVLCS calculations have a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole.</p> <p>Key assumptions include revenue, gross margin, cash flow forecast assumptions and valuation multiples.</p> <p>The impairment test is also based on key assumptions in respect of the appropriate discount rates and longer-term growth rates.</p> <p>As a result of the review, management did not identify any impairment.</p>	<p>We assessed management's allocation of assets for each CGU based on our knowledge of the Group and its operations.</p> <p>We reviewed management's assumptions and assessed the achievability of the forecasts included in the impairment model.</p> <p>We considered whether the revenue, and where relevant associated costs, used in the value in use calculations was reasonable.</p> <p>Based on the procedures we performed, no issues arose from our work that suggested intangible assets are materially misstated.</p>
<i>Fair value of investments</i>	<p>Investments were considered to be a key audit matter due to the size of the balance in the Group's accounts.</p>	<p>We considered the ownership and existence of investments as well as the valuations placed on investments at the year end and whether there were any indications of impairment.</p> <p>Our audit procedures in this area also included:</p> <ul style="list-style-type: none"> - assessing compliance with the Group's accounting policy. - assessing the valuation adopted by management. <p>Based on the procedures we performed, no issues arose from our work that suggested investments are materially misstated.</p>

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial

SHORTWAVE LIFE SCIENCES PLC (FORMERLY PSYCH CAPITAL PLC)

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 30 APRIL 2025

statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Group financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and the industry in which it operates. We determined that the most significant laws and regulations which are directly relevant to specific assertions in the financial statements are those related to the reporting framework, including UK adopted international accounting standards, and significant regulations relating to the sector in which the Group operates are employment and taxation laws and regulations in the jurisdictions in which the Group operates.
- We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks

SHORTWAVE LIFE SCIENCES PLC (FORMERLY PSYCH CAPITAL PLC)

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 30 APRIL 2025

included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases.

- We designed our audit procedures to detect irregularities, including fraud. Our procedures included journal entry testing, with a focus on large or unusual transactions based on our knowledge of the business; existence of revenue, enquiries with Group management; and focussed testing as referred to in the Key Audit Matters section above.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Group's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Group's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Group and the Parent Group's members as a body, for our audit work, for this report, or for the opinions we have formed.



Christopher Taylor FCA (Senior Statutory Auditor)

For and on behalf of Adler Shine LLP, Statutory Auditor
Aston House
Cornwall Avenue
London
N3 1LF

30 October 2025

Adler Shine LLP is a limited liability partnership registered in England and Wales (with registered number OC301724).

SHORTWAVE LIFE SCIENCES PLC (FORMERLY PSYCH CAPITAL PLC)**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 30 APRIL 2025**

	Note	£	£
Revenue	3	45,700	56,694
Cost of sales		(300)	(52,140)
Gross profit		45,400	4,554
Administrative expenses	4, 5	(264,344)	(644,756)
Share based payments		(50,867)	(206,136)
Operating loss		(269,811)	(846,338)
Fair value loss on fixed asset investments	9	(11,603)	(46,698)
Impairment loss on intangible assets	13	-	(189,875)
Loss on ordinary activities before taxation		(281,414)	(1,082,911)
Tax credit	7	24,423	12,203
Total comprehensive loss for the financial year		(256,991)	(1,070,708)
Basic loss per share attributable to owners of the Group	8	(0.0007)	(0.0033)

The notes on pages 29 to 47 form part of these financial statements.

SHORTWAVE LIFE SCIENCES PLC (FORMERLY PSYCH CAPITAL PLC)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 APRIL 2025

Company number: 13351629

	Note	2025 £	2024 £
Non-current assets			
Intangible assets	13	2,811,780	2,913,942
Investments	9	-	44,807
Total non-current assets		2,811,780	2,958,749
Current assets			
Cash and cash equivalents	10	2,912	72,300
Trade and other receivables	11	23,795	16,626
Total current assets		26,707	88,926
Current liabilities			
Trade and other payables	12	(98,812)	(77,453)
Total liabilities		(98,812)	(77,453)
Net current assets		(72,105)	11,473
Total assets less current liabilities		2,739,675	2,970,222
Provisions for liabilities			
Deferred tax	16	(318,907)	(343,330)
Net assets		2,420,768	2,626,892
Issued capital and reserves attributable to owners of the parent			
Issued share capital	14	378,290	378,290
Share premium		4,278,594	4,278,594
Share based payments reserve		866,222	844,948
Retained earnings		(3,102,338)	(2,874,940)
Total equity		2,420,768	2,626,892

These financial statements were approved and authorised by the Board on 30 October 2025 and signed on its behalf by:



Stephen Murphy
Director

The notes on pages 29 to 47 form part of these financial statements.

SHORTWAVE LIFE SCIENCES PLC (FORMERLY PSYCH CAPITAL PLC)

COMPANY STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 APRIL 2025

Company number: 13351629

	Note	2025 £	2024 £
Non-current assets			
Intangible assets	13	-	10,000
Investments	9	2,767,143	2,811,950
Total non-current assets		2,767,143	2,821,950
Current assets			
Cash and cash equivalents	10	1,816	22,093
Trade and other receivables	11	23,923	28,247
Total current assets		25,739	50,340
Current liabilities			
Trade and other payables	12	(98,941)	(69,605)
Total liabilities		(98,941)	(69,605)
Net current liabilities		(73,202)	(19,265)
Net assets		2,693,941	2,802,685
Issued capital and reserves attributable to owners of the parent			
Issued share capital	14	378,290	378,290
Share premium		4,278,594	4,278,594
Share based payments reserve		866,222	844,948
Retained earnings		(2,829,165)	(2,699,148)
Total equity		2,693,941	2,802,685

These financial statements were approved and authorised by the Board on 30 October 2025 and signed on its behalf by:

Stephen Murphy

Stephen Murphy
Director

The notes on pages 29 to 47 form part of these financial statements.

SHORTWAVE LIFE SCIENCES PLC (FORMERLY PSYCH CAPITAL PLC)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2025

	Share capital	Share premium	Share based payments reserve	Retained earnings	Total equity
	£	£	£	£	£
Transactions with equity owners					
As at 30 April 2023	290,033	1,680,832	638,812	(1,804,232)	805,445
Transactions with equity owners					
Share-based payments	572	11,048	-	-	11,620
Ordinary & Deferred shares issued	87,685	2,586,714	-	-	2,674,399
Share based payment charge	-	-	206,136	-	206,136
Loss for the year	-	-	-	(1,070,708)	(1,070,708)
As at 30 April 2024	378,290	4,278,594	844,948	(2,874,940)	2,626,892
Transactions with equity owners					
Share-based payments	-	-	50,867	-	50,867
Lapsed options	-	-	(29,593)	29,593	-
Loss for the year	-	-	-	(256,991)	(256,991)
As at 30 April 2025	378,290	4,278,594	866,222	(3,102,338)	2,420,768

The notes on pages 29 to 47 form part of these financial statements.

SHORTWAVE LIFE SCIENCES PLC (FORMERLY PSYCH CAPITAL PLC)

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2025

Company number: 13351629

	Share capital	Share premium	Share based payments reserve	Retained earnings	Total equity
	£	£	£	£	£
Transactions with equity owners					
<hr/>					
As at 30 April 2023	290,033	1,680,832	638,812	(1,804,232)	805,445
Transactions with equity owners					
Share-based payments Ordinary & Deferred shares issued	572 87,685	11,048 2,586,714	- -	- -	11,620 2,674,399
Share based payment charge	-	-	206,137	-	206,137
Loss for the year	-	-	-	(894,916)	(894,916)
As at 30 April 2024	378,290	4,278,594	844,949	(2,699,148)	2,802,685
Share-based payments	-	-	50,866	-	50,866
Lapsed options	-	-	(29,593)	29,593	-
Loss for the year	-	-	-	(159,610)	(159,610)
As at 30 April 2025	378,290	4,278,594	866,222	(2,829,165)	2,693,941

The notes on pages 29 to 47 form part of these financial statements.

SHORTWAVE LIFE SCIENCES PLC (FORMERLY PSYCH CAPITAL PLC)
CONSOLIDATED AND PARENT COMPANY STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 APRIL 2025

	Note	Group 2025 £	Parent Company 2025 £	Group and Parent Company 2024 £
Cash flows from operating activities				
Loss before tax		(256,991)	(159,610)	(1,070,708)
<i>Adjusted for:</i>				
Fair value loss on investments	9	11,603	11,603	46,698
Amortisation of intangible assets	13	94,004	1,842	109,168
Impairment of intangible assets	13	-	-	189,875
Disposal of intangible assets		(175)	(175)	-
Disposal of investment		12,603	12,603	-
Share-based payment charges – share options and warrants		50,867	50,867	217,756
Increase/Decrease in trade and other receivables	11	(7,169)	4,324	47,641
Increase/Decrease in trade and other payables	12	21,359	29,334	(20,281)
Tax credit		(24,423)	-	(12,203)
Net cash used in operating activities		(98,322)	(49,212)	(492,054)
Cash flows from investing activities				
Consideration paid for acquisition of subsidiaries		-	-	(92,744)
Cash arising on acquisition	9	-	-	177,607
Proceeds from sale of intangible assets		8,333	8,334	-
Proceeds from sale of investments		20,601	20,601	-
Net cash generated from/(used in) investing activities		28,934	28,935	84,863
Cash flows from financing activities				
Proceeds from the issue of shares	14	-	-	-
Shares based payment charges		-	-	-
Net cash generated from financing activities		-	-	-
Net increase in cash and cash equivalents		(69,388)	(20,277)	(407,191)
Cash and cash equivalents at beginning of year		72,300	22,093	479,491
Cash and cash equivalents at end of year		2,912	1,816	72,300

The notes on pages 29 to 47 form part of these financial statements.

SHORTWAVE LIFE SCIENCES PLC (FORMERLY PSYCH CAPITAL PLC)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2025

1 General information

Shortwave Life Sciences Plc was incorporated on 22 April 2021 as Psych Capital Ltd. The Group was incorporated in England and Wales, and registered number is 13351629 under the Companies Act 2006.

The principal activity of the Group is to identify, fund and develop treatments for unmet mental health needs, by seeking and implementing innovative therapies such as psychedelics-based medicine.

The registered address is 124 City Road, London, England, EC1V 2NX.

2 Accounting policies

2.1 Basis of preparation

The Group's financial statements have been prepared in accordance with UK-adopted International Financial Reporting Standards (IFRS) and in conformity with the requirements of the Companies Act 2006. The financial statements have been prepared under the historical cost convention and using the measurement bases specified by IFRS for each type of asset, liability, income, and expense. The measurement bases are more fully described in the accounting policies below.

The financial statements are presented in Sterling, which is the Group's functional and presentational currency and has been prepared under the historical cost convention.

Basis of consolidation

The Group financial statements consolidate the financial statements of the Group and its subsidiaries ("the Group"). Subsidiaries include all entities over which the Group has the power to govern financial and operating policies. Subsidiaries are consolidated from the date on which control commences until the date that control ceases. Intra-Group balances and any unrealised gains and losses on income or expenses arising from intra-Group transactions, are eliminated in preparing the consolidated financial statements. On 7 November 2023, The Group completed the acquisition of 100% of the issued share capital of Shortwave Pharma Inc. in exchange for shares in the Group, alongside a cash payment of USD 120,000. As a result of this transaction, the former shareholders of Shortwave Pharma became shareholders in the Group. This acquisition was accounted for using the acquisition method for business combination.

New and amended standards

The following IFRS or IFRIC interpretations were effective for the first time for the financial year beginning 1 May 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Standards/ interpretations	Application
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information
IFRS S2	Climate-related disclosures
IFRS 7	Financial Instruments: Disclosures Amendments regarding supplier finance arrangements
IFRS 16	Leases Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions
IAS 1	Presentation of Financial Statements Amendments regarding the classification of debt with covenants
IAS 7	Statement of Cash Flows Amendments regarding supplier finance arrangements

SHORTWAVE LIFE SCIENCES PLC (FORMERLY PSYCH CAPITAL PLC)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 APRIL 2025****New standards, amendments and interpretations not yet adopted by the Group and Company**

Standards/ interpretations	Application	Effective date
IFRS 1	Amendments resulting from Annual Improvements to IFRS Accounting Standards	01/01/2026
IFRS 7	Amendments regarding the classification and measurement of financial instruments	01/01/2026
	Contracts referencing Nature-dependent Electricity	01/01/2026
	Amendments resulting from Annual Improvements to IFRS Accounting Standards – volume 11 (including implementation guidance)	01/01/2026
IFRS 9	Amendments regarding the classification and measurement of financial instruments	01/01/2026
	Contracts referencing Nature-dependent Electricity	01/01/2026
	Amendments resulting from Annual Improvements to IFRS Accounting Standards – volume 11 (including implementation guidance)	01/01/2026
IFRS 10	Amendments resulting from Annual Improvements to IFRS Accounting Standards – volume 11 (including implementation guidance)	01/01/2026
IFRS 18	Presentation and disclosures in financial statements	01/01/2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	01/01/2027
IAS 7	Amendments resulting from Annual Improvements to IFRS Accounting Standards – volume 11 (including implementation guidance)	01/01/2026
IFRS 1	Amendments resulting from Annual Improvements to IFRS Accounting Standards	01/01/2026
IFRS 7	Amendments regarding the classification and measurement of financial instruments	01/01/2026
	Contracts referencing Nature-dependent Electricity	01/01/2026
	Amendments resulting from Annual Improvements to IFRS Accounting Standards – volume 11 (including implementation guidance)	01/01/2026

There are no IFRS's or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

2.2 Going concern

The Group has reported a loss for the year of £256,991 (2024: £1,070,708). As at 30 April 2025, cash and cash equivalents amounted to £2,912 (2024: £72,300) while net assets amounted to £2,420,768 (2024: £2,626,892).

The Directors have prepared a cashflow forecast which indicates that additional funds will be required during the year to continue to operate as per the forecast. There are ongoing activities to raise the necessary funds but in the absence of the required funding being in place this condition indicates the existence of a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern.

The Directors are hopeful that the Group will be able to secure sufficient cash inflows for the Group to continue its activities for not less than 12 months from the date of approval of these financial statements. Accordingly, they have therefore prepared the financial statements on a going concern basis.

2.3 Foreign currencies

Items included in the Financial Statements are measured using the currency of the primary economic environment in which the Company and its subsidiaries operate (the functional currency) which is UK sterling (£). The Financial Statements are accordingly presented in UK sterling. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or at an average rate for a period if the rates do not fluctuate significantly. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2.4 Research and development

Expenditure on research activities is recognised as an expense in the period in which it is incurred. All on-going development expenditure is currently expensed in the period in which it is incurred.

Due to the regulatory and other uncertainties inherent in the development of the Group's programmes, the criteria for development costs to be recognised as an asset, as prescribed by IAS 38, 'Intangible assets', are not met until the product has been submitted for regulatory approval, such approval has been received and it is probable that future economic benefits will flow to the Group.

The Group does not currently have any such internal development costs that qualify for capitalisation as intangible assets. Development costs are capitalised when the related products meet the recognition criteria of an internally generated intangible asset, the key criteria being as follows:

- technical feasibility of the completed intangible asset has been established;
- it can be demonstrated that the asset will generate probable future economic benefits;
- adequate technical, financial and other resources are available to complete the development;
- the expenditure attributable to the intangible asset can be reliably measured; and
- the Group has the ability and intention to use or sell the asset.

Expenses for research and development include associated wages and salaries, material costs, depreciation on non-current assets and directly attributable overheads. All research and development costs, whether funded by third parties under licence and development agreements or not, are included within operating expenses and classified as such.

2.5 Revenue recognition

Revenue represents amounts receivable for goods and services provided in the normal course of business, and excludes intraGroup sales, Value Added Tax and trade discounts. Revenue to date comprises sponsorship income and ticket sales derived from running Symposia and Investor Events for individuals and organisations interested in the industry, and from publication of the PSYCH report. Revenue is recognised upon holding the relevant event or publication of the report.

2.6 Intangible fixed assets

An intangible asset, which is an identifiable non-monetary asset without physical substance, is recognised to the extent that it is probable that the expected future economic benefits attributable to the asset will flow to the Group and that its cost can be measured reliably, the asset is deemed to be identifiable when it is separable or when it arises from contractual or other legal rights. It is carried at cost less accumulated amortisation and accumulated impairment losses.

2.6 Intangible fixed assets (continued)

Amortisation is charged on a straight-line basis through the profit or loss. The rates applicable, which represent the Directors' best estimate of the useful economic life, are:

PSYCH Platform and related assets – 6 years.

Intellectual Property – 20 years

At each balance sheet date, the directors review the carrying amounts of intangible fixed assets to determine whether there is any indication that those assets have suffered an impairment. If any such indication exists, the recoverable amount of the asset, which is the higher of its fair value less costs to sell and its value in use is estimated in order to determine the extent of the impairment. Any resulting impairment is recognised as an ordinary activity in the Statement of Comprehensive Income.

The estimated useful life and amortisation method are reviewed at the end of each reporting period.

2.7 Investments

Investments are accounted for at cost less impairment. At each balance sheet date, the Directors review the carrying amounts of investments to determine whether there is any indication that those assets have suffered an impairment. If any such indication exists, the recoverable amount of the asset, which is the higher of its fair value less costs to sell and its cost is estimated in order to determine the extent of the impairment less. Any resulting impairment is recognised as an ordinary activity in the Statement of Comprehensive Income.

2.8 Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of a financial instrument. Financial assets and financial liabilities are offset if there is a legally enforceable right to set off the recognised amounts and interests and it is intended to settle on a net basis.

Financial assets

The Group classifies its financial assets at fair value through profit or loss.

Financial assets designated at fair value through the profit or loss are those that have been designated by management upon initial recognition. Management designated the financial assets, comprising equity shares at fair value through profit or loss upon initial recognition due to these assets being part of the Group's financial assets, which are managed, and their performance evaluated on a fair value basis.

Financial assets at fair value through the profit or loss are recorded in the statement of financial position at fair value. Changes in fair value are recorded in "Fair valuation movements in financial assets designated at fair value through profit or loss".

Quoted investments: such investments are valued using the quoted market price, discounted if the shares are subject to any particular restrictions or are significant in relation to the issued share capital of a small quoted company.

At each balance sheet date, a review of impairment in value is undertaken by reference to funding, investment or offers in progress after the balance sheet date and a provision is made accordingly where the impairment in value is recognised.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Financial assets and liabilities (continued)

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

2.10 Trade and other receivables

Trade and other receivables are recognised initially at their fair value. There is no material variance between book and fair values.

2.11 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accruals and accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value. There is no material variance between book and fair values.

2.12 Share capital and share premium

Ordinary shares are classified as equity in share capital. Incremental costs directly attributable to the issue of new shares or options are shown in equity, as a deduction, net of tax, from the proceeds provided there is sufficient premium available. Should sufficient premium not be available, placing costs are recognised in the Statement of Comprehensive Income.

2.13 Reserves

Retained earnings reserve includes retained losses since the Group's incorporation on 22 April 2021.

Share options reserve includes the fair value at grant date of the equity-settled share-based payments provided to employees and third parties.

2.14 Dividends

Dividends are recognised when they become legally payable. No dividend has been declared or paid by the Group during the year ended 30 April 2025 (2024: £nil).

2.15 Share-based transactions

Where equity settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are considered by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the Statement of Comprehensive Income over the remaining vesting period. Where equity instruments are granted to persons other than employees, the Statement of Comprehensive Income is charged with the fair value of goods and services received.

2.16 Financial risk management

The Group's activities expose it to credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Credit Risk

Credit risk arises from cash and cash equivalents as well as outstanding receivables. Management does not expect any losses from non-performance of these receivables.

The Group considers the credit ratings of banks in which it holds funds, in order to reduce exposure to credit risk.

Liquidity Risk

In keeping with similar sized investment companies, the Group's continued future operations depend on the ability to raise sufficient working capital through the issue of equity share capital or debt. The Directors are

SHORTWAVE LIFE SCIENCES PLC (FORMERLY PSYCH CAPITAL PLC)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2025

confident that adequate funding will be forthcoming with which to finance operations. Controls over expenditure are carefully managed and the Board regularly manage the working capital requirements of the Group. The Group has very little committed expenditure and as such the Board is able to manage its payments to ensure adequate liquid resources are available.

Price Risk

The Group's management of price risk, which arises primarily from quoted equity instruments, is through the selection of financial assets within specified limits as approved by the Board of Directors.

Foreign Exchange Risk

The Parent Company previously held a Canadian Dollar denominated investment valued at £44,807 at 30 April 2024 which was disposed of in the year, which exposes the Company to the risk that the exchange rate of the Canadian Dollar against the pound will change in a manner which adversely impacts the Company's net profit and net assets attributable to shareholders

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, to both enable the Group to continue its investment activities, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the issue of shares or sell assets to reduce debts.

The Group defines capital based on the total equity of the Group. The Group monitors its level of cash resources available against future planned operational activities and the Group may issue new shares in order to raise further funds from time to time.

2.17 Taxation

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting year in the United Kingdom. Management yearly evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.18 Exceptional items

Exceptional items have been disclosed separately on the face of the Consolidated Statement of Comprehensive Income in order to summarise the underlying results. Exceptional items in the current and prior period relate to professional fees incurred in connection with the Company's admission to AQSE. Exceptional items are not defined by IFRS however the directors believe that the disclosures presented in this manner provide a clearer presentation of the underlying financial performance of the Group.

2.19 Critical accounting estimates and judgements

The Group makes estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual results may differ from these estimates and assumptions.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Investments

The Group holds listed investments that have been designated at fair value through profit or loss on initial recognition. The Group determines the fair value of these financial instruments by reference to quoted market prices. Due to the illiquid nature of certain markets, the Group may or may not be able to realise the full market value of the investments should a decision be taken to dispose of them.

Intangible assets

The Group is required to test, on an annual basis, whether intangible assets have suffered any impairment. Determining whether there has been any impairment requires an estimation of the value in use of the cash-generating units. The value in use calculation requires the Directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. During the year, the Directors impaired the Psych platform to its fair value less costs to sell as it is the intention to dispose of the platform. There is no certainty this is the amount that will be realised.

Share-based payments

The estimates of share-based payments costs require that management selects an appropriate valuation model and makes decisions on various inputs into the model, including the volatility of its own share price, the probable life of the options before exercise, and behavioural consideration of employees. A significant element of judgement is therefore involved in the calculation of the charge.

SHORTWAVE LIFE SCIENCES PLC (FORMERLY PSYCH CAPITAL PLC)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 APRIL 2025****3 Revenue**

	2025	2024
	£	£
Revenue arises from the following streams:		
Media and Investor Promotion Services	45,700	56,694
	45,700	56,694

4 Expenses by nature

	2025	2024
	£	£
Consultancy fees	6,244	17,448
Advertising and marketing	-	60,011
Audit and accountancy	33,823	38,949
Legal and professional fees	1,932	37,691
Amortisation of intangible assets	94,004	109,168
Impairment of intangible assets	-	189,875

5 Auditor's remuneration

Fees payable to the Company's auditor and in respect of:	2025	2024
	£	£
Audit of financial statements	20,000	24,000

6 Staff Costs

	2025	2024
	£	£
Wages and Salaries	20,435	167,082
Social Security costs	-	11,630
Pension costs	-	525
Share based payments	50,867	206,136
	71,302	362,113

The average number of employees for the Company in the year was 2 (2024: 4).

SHORTWAVE LIFE SCIENCES PLC (FORMERLY PSYCH CAPITAL PLC)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2025

6 Staff Costs (continued)

Directors' emoluments, included in staff costs:

	Salary/Fees/ Benefits	Share-based payment	Total Emoluments 2025
	£	£	£
S Murphy	2,000	16,502	18,502
R Kait (resigned 30 October 2024)	1,750	1,360	3,110
R Stern Youdkevich (resigned 10 September 2025)	5,000	33,005	38,005
TOTAL	8,750	50,867	59,617

	Salary/Fees/ Benefits	Share-based payment	Total Emoluments 2024
	£	£	£
J Colliver (resigned 7 November 2023)	16,305	42,196	58,501
W Potts (resigned 5 April 2024)	24,000	32,788	56,788
S Murphy	24,700	32,788	57,488
R Kait (resigned 30 October 2024)	10,182	32,788	42,970
R Stern Youdkevich (resigned 10 September 2025)	29,091	65,576	94,667
TOTAL	104,278	206,136	310,414

7 Income tax expense

	2025 £	2024 £
Current tax	-	-
Deferred tax	24,423	12,203
Income tax credit	24,423	12,203

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the applicable tax rate to the profits and losses of the Company as follows:

	2025 £	2024 £
Loss before tax	(281,414)	(1,070,708)
Tax calculated at the rate applicable to loss (2024: 25%)	(70,354)	(267,677)
Effects of:		
Non-tax deductible share based payment and losses	12,717	51,534
Non-tax deductible expense from loss on value of fixed investments	2,901	11,674
Tax losses for which no deferred tax asset was recognised	79,159	192,266
Tax credit	24,423	12,203

Factors affecting future tax charges

There are no factors affecting future tax charges.

SHORTWAVE LIFE SCIENCES PLC (FORMERLY PSYCH CAPITAL PLC)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2025

8 Earnings per share

Basic earnings per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares. The Company is loss making for the year presented in these financial statements, therefore diluted earnings per share has not been presented.

	2025	2024
	£	£
Loss attributable to equity holders of the Company	256,991	1,070,708
Weighted average number of ordinary shares in issue	371,037,673	324,350,988
Loss per share (£)	0.0007	0.0033

9 Investments

Level 1 Investments (Group and Parent Company)

	2025	2024
	£	£
Brought forward	44,807	91,505
Fair value losses	(11,603)	(46,698)
Disposal	(33,204)	-
At 30 April 2025	0	44,807

Investments in subsidiary (Parent Company only)

	2025	2024
	£	£
Brought forward	2,767,143	-
Additions	-	2,767,143
At 30 April 2025	2,767,143	2,767,143

10 Cash and cash equivalents

Group	2025	2024
	£	£
Cash	2,912	72,300
Total	2,912	72,300
Parent company	2025	2024
	£	£
Cash	1,816	22,093
Total	1,816	22,093

SHORTWAVE LIFE SCIENCES PLC (FORMERLY PSYCH CAPITAL PLC)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2025

11 Trade and other receivables

Group	2025	2024
	£	£
Trade receivables	5,000	5,000
Other receivables	4,169	3,368
Prepayments	14,626	8,258
Total	23,795	16,626

Parent company	2025	2024
	£	£
Trade receivables	5,000	5,000
Other receivables	4,297	3,368
Prepayments	14,626	8,257
Amounts owed by Group undertakings	-	11,622
Total	23,923	28,247

The Directors consider that the carrying values of trade and other receivables measured at book value and amortised cost approximates to their fair value. There are no provisions for doubtful debts.

12 Trade and other payables

Group	2025	2024
	£	£
Trade payables	73,311	29,643
Other payables	-	2,461
Deferred revenue & accruals	25,501	45,349
Total	98,812	77,453

Parent company		
Trade payables	73,311	29,644
Other payables	-	2,461
Deferred revenue & accruals	25,630	37,500
Total	98,941	69,605

The Directors consider that the carrying values of trade and other payables measured at book value and amortised cost approximates to their fair value.

SHORTWAVE LIFE SCIENCES PLC (FORMERLY PSYCH CAPITAL PLC)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2025

13 Intangible assets

Group

Cost	Software £	Intellectual Property £	Goodwill £	Total £
At 30 April 2024	450,000	1,843,239	1,106,753	3,399,992
Disposal of asset	(450,000)	-	-	(450,000)
At 30 April 2025	-	1,843,239	1,106,753	2,949,992
Amortisation				
At 30 April 2024	(440,000)	(46,050)	-	(486,050)
Amortisation	(1,842)	(92,162)	-	(94,004)
Disposal of asset	441,842	-	-	441,842
At 30 April 2025	-	(138,212)	-	(138,212)
Net book value				
At 30 April 2024	10,000	1,797,189	1,106,753	2,913,942
At 30 April 2025	-	1,705,027	1,106,753	2,811,780

Parent company

Cost	Software £	Total £
At 30 April 2024	450,000	450,000
Arising on acquisition	-	-
Disposal of asset	(450,000)	(450,000)
At 30 April 2025	-	-
Amortisation		
At 30 April 2024	(440,000)	(440,000)
Amortisation	(1,842)	(1,842)
Disposal of asset	441,842	441,842
At 30 April 2025	-	-
Net book value		
At 30 April 2024	10,000	10,000
At 30 April 2025	-	-

Intangible assets (continued)

The software intangible asset was acquired on 1 July 2021 and relates to the Psych platform, including trademarks, CRM database, designs and digital properties including domains.

The intellectual property intangible asset of £1,843,239 relates to the value expected to be generated from the patents in Shortwave Pharma Inc.'s portfolio which is comprised of provisional patent applications and one PCT application at the time of acquisition. The patents are in various stage of granting for a novel drug combination and a drug administration product that are designed to treat patients suffering from anorexia nervosa. In June 2024, a positive PCT examiner's opinion acknowledged all of the claims of one of the patents as novel, non-obvious and industrially applicable, strengthening the probability of its granting.

The Company expects future revenues to be generated from the patents through licensing and royalty payments. As patents provide a market exclusivity advantage, this value is expected to be secured for 20 years from the final grant of the patent. The Company employed several conservative assumptions in the calculation of the future cash flow streams from its patent applications in the treatment of patients suffering from anorexia nervosa.

These assumptions include among others, an 8% probability of successful development of a new drug, a discount rate based on a WACC of 17%, marketing related assumptions such as market penetration of 10% by the tenth year, costs and pricing of treatments as well as remaining period for the development of the drug until FDA approval.

Goodwill of £751,220 arose on the acquisition of Shortwave Pharma inc., details of which are set out in note 16.

Impairment

The company is required to test, on an annual basis, whether intangibles have suffered any impairment or when there are indications that the value of the assets might be impaired. It will conduct a review of the intangibles on an annual basis.

Impairment is calculated by comparing the carrying amounts to the recoverable amount being the higher of value in use derived from discounted cash flow projections or the fair value less costs to sell. Value in use calculations are based on a discounted cash flow model ("DCF"), which discounts expected cash flows over a five-year period using a pre-tax discount rate of 13.4%. Cash flows beyond the five-year period are extrapolated using a long-term average growth rate of 2%. The fair value less costs to sell was based on a multiple of revenue less estimated costs to sell. Management have performed the annual impairment review as required by IAS 36. In conducting the impairment review of the PSYCH platform, the directors value the asset at the realization value expected for the potential sale of the asset to an identified interested buyer. Based on an updated asset value of £10,000, the impairment/write off for the asset value is set at £189,875.

SHORTWAVE LIFE SCIENCES PLC (FORMERLY PSYCH CAPITAL PLC)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2025

13 Share capital

	Number of ordinary shares	Number of deferred shares	Share capital £	Share premium £
At 30 April 2023	290,033,335	-	290,033	1,680,832
Ordinary shares issued at £0.0305 (of £0.001 each) as Initial Consideration shares	71,170,132	-	71,170	2,099,519
Ordinary shares issued at £0.0203 (of £0.001 each) as share-based payment to certain legal advisers	572,197	-	572	11,048
Ordinary shares issued at £0.0305 (of £0.001 each) as Deferred Consideration shares	-	9,015,100	9,015	265,945
Ordinary shares issued at £0.0305 (of £0.001 each) as Deferred Guarantee shares	-	7,499,998	7,500	221,250
At 30 April 2024	361,775,664	16,515,098	378,290	4,278,594
Ordinary shares issued at £0.0305 (of £0.001 each) as Deferred Consideration shares	9,015,100	(9,015,100)	-	-
Ordinary shares issued at £0.0305 (of £0.001 each) as Deferred Guarantee shares	7,499,998	(7,499,998)	-	-
At 30 April 2025	378,290,762	-	378,290	4,278,594

On 19 June 2023, the Company announced the agreement to acquire 100% of the issued share capital of Shortwave Pharma Inc., a biopharmaceutical drug-development company, developing breakthrough therapies to address unmet medical needs in the field of mental health, with focus on the area of eating disorders, for £2.8m through a combination of cash and new ordinary shares. The terms of the deal incorporated an initial consideration of 71,170,131 new Ordinary Shares, 9,015,100 new Ordinary shares pursuant to deferred consideration shares 9,015,100, new Ordinary Shares of 7,499,998 pursuant to deferred guarantee shares of 7,499,998, and a cash payment of US\$120,000.

On 7 November 2023, The Company announced the completion of its acquisition of life science company Shortwave Pharma Inc., and the Initial Consideration Shares were issued to former Shortwave Pharma Shareholders.

On 8 July 2024, the Company announced that its PCT application no. PCT/IL2023/050442 entitled: "A Mucoadhesive Film Comprising a Pharmaceutically Active Agent and Uses Thereof" has received a positive report from the PCT examining authority acknowledging all of its claims as novel, non-obvious and industrially applicable. This report signified meeting of the condition stated in the deal terms and the Deferred Consideration shares were issued on 12 July 2024.

The remaining Deferred Guarantee Shares are set to be allocated following the first anniversary of the deal's completion on 7 November 2024, should no events affecting the guarantor warranties become apparent by then.

SHORTWAVE LIFE SCIENCES PLC (FORMERLY PSYCH CAPITAL PLC)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2025

14 Share capital (continued)

Share options and broker warrants

On 23 May 2022, the Company granted 31,835,832 share options to 10 of its directors, consultants, and advisors. The options were exercisable upon a successful Admission to AQSE and lapse after two years from this date which was 10 June 2024.

On 19 November 2023 the Company granted 10,000,000 share options to its directors:

Rivki Stern Youdkevich	4,000,000
Roy Kait	2,000,000
Stephen Murphy	2,000,000
William Potts	2,000,000
	<u>10,000,000</u>

All 10,000,000 share options are exercisable at £0.0295, being the mid-market price of the share on the day before the RNS announcement on 1 February 2024. They expire in January 2026.

The share options vest in 4 tranches:

19 November 2023	2,500,000
20 May 2024	2,500,000
19 November 2024	2,500,000
19 May 2025	2,500,000
	<u>10,000,000</u>

In addition, on 4 April 2024 the Company granted a further 1,694,915 share options to former chairman Joseph Colliver which lapse after 2 years.

All 1,694,915 share options are exercisable at £0.0295, being the mid-market price of the share on the day of issue. The share options are fully vested.

On 23 May 2022, the Company granted 14,501,667 warrants to its brokers at a strike price of 5p. The options were exercisable upon a successful Admission to AQSE and lapse after five years from this date.

The fair value of the share options and the broker warrants issued was derived using a Black Scholes model. The following key assumptions were used in the calculations:

Grant Date	19 November 2023	04 April 2024
Exercise price	2.95 p	2.95 p
Share Price on date of grant	2.95 p	2.95 p
Risk free rate	4.223%	4.223%
Volatility	197%	197%
Expected life – share options	2 years	2 years

Volatility was determined by reference to the standard deviation of daily share prices in the year to 28 August 2024.

The expected lives used in the model are the relative terms of the share options.

The risk-free rate used was the yield on 2-year UK Gilts on 1 February 2024.

SHORTWAVE LIFE SCIENCES PLC (FORMERLY PSYCH CAPITAL PLC)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2025

14 Share capital (continued)

Movements in the number of options and their weighted average exercise prices are as follows:

	Options		Warrants	
	Weighted average exercise price (pence) 2025	Number of options 2025	Weighted average exercise price (pence) 2025	Number of warrants 2025
Outstanding at the beginning of the year	5.91	43,530,747	5.00	14,501,667
Lapsed during the year	5.84	(33,640,957)	-	-
Outstanding at the end of the year	2.95	<u>9,889,790</u>	5.00	<u>14,501,667</u>
Exercisable at the end of the year		9,211,014		14,501,667

The weighted average remaining contractual life for the share options outstanding as at 30 April 2025 is 1 year.

The weighted average fair value of options granted during the prior year is £0.0591.

The exercise price for options outstanding at the end of the year is £0.0295.

15 Financial instruments

Categories of financial assets and liabilities

The following tables set out the categories of financial instruments held by the Group and Company:

Financial assets	Note	Loans and receivables	Loans and receivables
		2025 £	2024 £
Trade and other receivables	11	23,795	16,626
Cash and cash equivalents	10	<u>2,912</u>	<u>72,300</u>
		<u>26,707</u>	<u>88,926</u>

	Note	Fair value through profit or loss	Total
		£	£
At 30 April 2025			
Investments	9	<u>-</u>	<u>-</u>
Total financial assets		<u>-</u>	<u>-</u>

SHORTWAVE LIFE SCIENCES PLC (FORMERLY PSYCH CAPITAL PLC)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2025

15 Financial instruments (continued)

Financial liabilities	Note	2025 £	Financial liabilities measured at amortised cost 2024 £
Trade and other payables	12	(98,811)	(77,454)
		<u>(98,811)</u>	<u>(77,454)</u>

Parent Company

Financial assets	Note	Loans and receivables 2025 £	Loans and receivables 2024 £
Trade and other receivables	11	23,923	28,246
Cash and cash equivalents	10	1,816	22,093
		<u>25,739</u>	<u>50,339</u>

Designated upon initial recognition

	Note	At cost less impairment £	Fair value through profit or loss £	Total £
At 30 April 2025				
Investments	9	2,767,143	-	2,767,143
Total financial assets		<u>2,767,143</u>	<u>-</u>	<u>2,767,143</u>

Financial liabilities	Note	2025 £	Financial liabilities measured at amortised cost 2024 £
Trade and other payables	12	(98,941)	(69,605)
		<u>(98,941)</u>	<u>(69,605)</u>

SHORTWAVE LIFE SCIENCES PLC (FORMERLY PSYCH CAPITAL PLC)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2025

16 Business combinations

On 19 June 2023, the Company acquired 100% of the issued share capital of Shortwave Pharma Inc. ("Shortwave Pharma"), a biopharmaceutical drug-development company. The deal reached completion, upon meeting of several conditions, on 7 November 2023.

The Company paid £2,767,143 through a combination of cash and new ordinary shares of £0.001 each ("Ordinary Shares") as follows:

- Initial consideration shares of 71,170,131 new Ordinary Shares to be issued at a presumed price of £0.0305 per share.

- New Ordinary Shares of 9,015,100 pursuant to deferred consideration shares of 9,015,100. The deferred consideration shares will be issued conditionally on Shortwave Pharma obtaining a positive examiner opinion including at least one novel and non-obvious claim in at least one patent application filed under the Patent Cooperation Treaty (PCT) filings taking priority from the currently submitted US provisional applications. The conditionality must be met by 31 December 2024 in order for the deferred consideration shares to be issued. The new ordinary shares of 9,015,100 were issued on the 12th of July 2024.

- New Ordinary Shares of 7,499,998 pursuant to deferred guarantee shares of 7,499,998. The deferred guarantee shares will be issued on the first anniversary of the Completion Date, subject to no claims in respect of warranties set out in the SPA.

- Cash payment of US\$120,000.

- Consideration subject to 12-month lock-in followed by 12-month orderly market agreement.

The New Ordinary Shares of 7,499,998 were issued on 3rd of December 2024.

Recognised amounts of identifiable assets acquired and liabilities assumed

	<i>Book value</i>	<i>Fair value adjustments</i>	<i>Fair value</i>
	£	£	£
Intangible assets (intellectual property)	-	1,843,239	1,843,239
Cash	177,607	-	177,607
Accruals	(4,923)	-	(4,923)
Deferred tax		(355,533)	(355,533)
Total fair value of net assets acquired			1,660,390
<i>Consideration settled by</i>			
Issue of ordinary and deferred shares			2,674,399
Cash			92,744
Total consideration			2,767,143
Goodwill arising on acquisition			1,106,753

Since acquisition, Shortwave Pharma has recorded a loss of £171,588 at entity level.

A net deferred tax liability has been recognised as arising on the fair value of intangible assets acquired, less accumulated trading losses in the acquired entity, of £355,533. During the year ended 30 April 2025 this liability was reduced by £24,423 (2024 £12,203) as a result of amortisation of the intangible asset of £92,162 (2024 £46,050).

17 Controlling party

There was no controlling party as at 30 April 2025.

18 Related party transactions

During the year ended 30 April 2025, the Company was invoiced £ nil (2024 £46,000) for marketing and creative solutions by PP Intelligence Limited, a company of which S Murphy is the sole director.

At the year-end, £128 (2024 £11,620 was owed to settle its legal fees relating to its acquisition) was owed to its subsidiary, Shortwave Pharma Inc. to settle consultancy expenses.

At the year-end, £15,000 (2024: £nil) was owed by Prohibition Holdings Limited and 5,000 (2024: £nil) was owed by Pistol Studio Limited. Both companies are connected to Shortwave Life Sciences Plc by virtue of having a common director.

The Psych Platform was sold in the year for £10k to Prohibition Holdings Limited (a connected company).

19 Events after the reporting date

- **£40,000 Interim Fundraise to Settle Outstanding Liabilities (June 2025):**

On 10 June 2025, the Group completed a private placement, raising £40,000 through the issuance of 32,000,000 new ordinary shares at a price of £0.00125 per share. As part of the placement, one warrant was issued for every share, exercisable at £0.0015 per share until June 2027. This interim funding round was strategically executed to stabilise the Group's immediate financial obligations and clear legacy debt, positioning the business for growth ahead of the larger financing round.
- **£250,000 Strategic Placement at Premium to Market (July 2025):**

On 29 July 2025, the Group raised £250,000 through the placing of 100,000,000 ordinary shares at a price of £0.0025 per share — representing a 150% premium to the closing bid price of the previous trading day. This oversubscribed round demonstrated strong investor confidence in the Group's revised strategic direction. The proceeds were earmarked to fund a comprehensive business review, lay the foundations for the Group's Digital Asset Treasury strategy, and support forward-looking operational priorities.
- **Equity-for-Services Agreement to Preserve Cash (July 2025):**

In addition to the cash raise, the Group issued 48,316,000 ordinary shares to service providers in lieu of cash fees, on the same terms as the placing. This move preserved working capital while aligning external stakeholders with the long-term value of the Group, demonstrating prudent treasury management and a focus on maintaining financial flexibility during a transitional period.
- **Leadership Reinforcement to Drive Execution and Growth (July 2025):**

To support the Group's repositioning and execution of its dual-track strategy, several strategic appointments were made:

 - *Rolf Gerritsen* joined the Board as **Executive Chairman**, bringing over three decades of international capital markets experience and a proven track record in corporate transformation, financing, and regulatory oversight.
 - *Stephen Molloy* was appointed **Non-Executive Director** with a specific remit to develop the Group's **Digital Asset Treasury (DAT)** strategy. Stephen's deep expertise in digital innovation and blockchain strategy adds critical insight to the Group and Parent Company evolving financial model.
- **Development of Dual-Track Strategy (Q3 2025):**

Building on internal and external input, the Group formally adopted a dual-track strategy designed to support clinical progress while enhancing long-term capital efficiency. This strategy includes:

 - The continued advancement of its core anorexia nervosa drug programme, currently progressing through preclinical and regulatory development stages.
 - The establishment of a **Digital Asset Treasury function**, aimed at creating a non-dilutive reserve of capital to fund future R&D. This model enables the Group to better manage macroeconomic volatility, hedge risk, and retain top-tier scientific talent by offering a differentiated compensation and funding structure.